



U.S. DEPARTMENT OF
ENERGY

**OVERVIEW OF AMERICAN RECOVERY AND REINVESTMENT ACT
(ARRA) FUNDING ACTIVITIES**

U.S. DEPARTMENT OF ENERGY, OAK RIDGE RESERVATION

**ENERGY, TECHNOLOGY AND ENVIRONMENTAL
BUSINESS ASSOCIATION**

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AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009

- Signed into law on Feb 17, 2009
- ARRA is an unprecedented effort to:
 - Jumpstart our economy.
 - Create or save millions of jobs.
 - Put a down payment on addressing long-neglected challenges so our country can thrive in the 21st century.



ARRA AND DOE

DOE received approximately \$38 billion

- Energy Efficiency & Electricity Delivery \$21.3 billion
- Fossil Energy \$3.4 billion
- Environmental Management \$6 billion
- Science \$2 billion
- Other \$6 billion



TRANSPARENCY AND ACCOUNTABILITY

The President has made it clear that every dollar spent under the ARRA must be done with unprecedented transparency and accountability. He has identified five crucial objectives for Federal agencies:

- Award/distribute Recovery funds promptly, fairly, and reasonably;
- Ensure uses of funds are transparent to the public, and that the public benefits of these funds are reported clearly, accurately, and timely;
- Ensure every step is taken to prevent fraud, waste, error, and abuse;
- Ensure projects avoid unnecessary delays and cost overruns; and,
- Ensure programs meet specific goals and targets, and contribute to improved performance on broad economic indicators.

TRANSPARENCY AND ACCOUNTABILITY

Accountability

- Track expenditures separate from baseline funding
- Oversight requirements
- Office of the Inspector General:
 - “As the Recovery Act implementation proceeds, all parties should recognize that the potential risk of fraud increases dramatically when large blocks of funds are quickly disbursed. Our experience in the investigative arena has demonstrated that even during periods of normal operation, misuse of funds, submission of false or fictitious data, kickbacks and bribes, and other related fraudulent activity occur with troubling frequency.”
 - Source: DOE IG Special Report: The American Recovery and Reinvestment Act at the Department of Energy, March 2009



REPORTING REQUIREMENTS

- Continue to be refined, but expected to cover:
 - Project and award information
 - Obligations and expenditures
 - Expected savings and future costs
 - Major completed actions; Major planned actions
 - Agency oversight actions
 - Environmental compliance
 - Estimated jobs created or estimated jobs retained
 - Total compensation of executives under certain conditions
- Weekly (already started); Monthly (begin May); Quarterly (begin July)



MANAGING ARRA ACTIVITIES IN OAK RIDGE

To properly manage ARRA funding and operations, the Oak Ridge Office has established:

- A formal **ARRA Implementation Plan**
- An **ARRA Coordinating Committee**: DOE, NNSA, and prime contractor presidents
 - Periodically meets with Unions
- An **ARRA Senior Management Group**: Federal managers who oversee operations such as Finance, Procurement and Contracting, and Communications. Includes:
 - EM Integrated Project Team led by Steve McCracken/J.T. Howell
 - SC Integrated Project Team led by Johnny Moore

ARRA FUNDING AND OAK RIDGE

- Science
 - \$71.2 million in Science Funding
 - Construction of Chemistry and Materials Sciences Laboratory
 - Upgrades to the Spallation Neutron Source
 - Other projects slated for funding at OSTI
 - Well-positioned to compete for additional funding
- Energy Efficiency
 - Received an allotment; not yet allocated
- Environmental Management
 - Will be the largest allotment; announcement expected soon
- Work For Others



ARRA FUNDING AND THE ENVIRONMENTAL MANAGEMENT (EM) PROGRAM

- Goals:
 - Maximize job creation
 - Maximize cleanup progress and footprint reduction
 - Maintain acquisition integrity
- Implementation:
 - All funding obligated by end of FY 2009
 - Statutory requirement is end of FY 2010
 - All funding costed by end of FY 2011
 - Statutory requirement is end of FY 2015



ARRA FUNDING AND THE OAK RIDGE EM PROGRAM

- Existing Prime Contractors
Expected to Receive ARRA Funding
 - UT-Battelle
 - B&W Y-12
 - Bechtel Jacobs Company
 - Oak Ridge Associated Universities
 - Pro2Serve
 - Information International Associates



ARRA FUNDING AND THE OAK RIDGE EM PROGRAM

Contracting approaches:

The Act gives preference for activities that can be initiated by June 17, 2009. Therefore, the ORO acquisition strategy includes the combination of using:

- Existing contracts, due to need to expeditiously obligate funds on shovel-ready projects, which will have subcontracting opportunities.
- Indefinite Delivery/Indefinite Quantity task orders for EM projects.
- New set-aside prime awards if needed.

ARRA FUNDING AND THE OAK RIDGE EM PROGRAM

- Procurement Conditions
 - Regular non-emergency procurement rules in effect
 - Contractors shall, to the maximum extent practicable, give a preference to small business in the award of subcontracts
 - Small business subcontracting plans and goals with prime contractors to be reassessed if receiving more than \$550,000
 - Preference to Buy American for construction materials
 - Expect high visibility and review of records by IG, GAO, and other auditors
 - Terms and conditions flow down to first tier subcontractors
 - Prevailing wage rates apply



ARRA FUNDING AND THE INTEGRATED FACILITY DISPOSITION PROGRAM (IFDP)



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COMPLETING THE ACCELERATED CLEANUP PROGRAM (ACP), BEGINNING THE INTEGRATED FACILITY DISPOSITION PROJECT (IFDP)

DOE Environmental Management (EM) has built a successful track record in Oak Ridge

- Three Building D&D Project
- Legacy Waste
- Melton Valley
- DUF6

• ETPP

ACP

IFDP

Remaining Cold War legacies are impeding ongoing missions

- Major areas of the Oak Ridge site remain contaminated
- Legacy issues impair mission readiness at Oak Ridge National Laboratory (ORNL) and Y-12 National Security Complex (Y-12)
- Legacy management consumes resources needed for modernization
- Modernization efforts are not coordinated with cleanup efforts



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FOOTPRINT REDUCTION

Economic Stimulus



Office of Environmental Management (EM)

EM footprint reduction, small site completions, and additional investment opportunities



Jobs created



Lifecycle cost reduced



Environment protected



Footprint reduced

Energy Parks



Clean, Diverse Energy Sources

- Energy security
- Establish long-term site mission
- Sustainable jobs

Large tracts of land and infrastructure available



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